

Insurance

There are two types of insurance most used by farmers' markets – overall liability (slip and fall) and product liability. Insurance is frequently a large expense for many vendors, and several groups are working with the insurance industry on this issue. Markets are encouraged to fully understand the policy they are purchasing and shop around for the best coverage and rates.

The kind of policy your market should purchase and how much coverage you need should be discussed with an insurance professional. Here is a basic description of the two types.

Liability

Liability coverage covers the market for accidents that may occur at the market during business hours, such as customer falls and injuries. Some folks call these “slip and fall” policies. Because vendors themselves could get injured while at the market, markets may wish to include a “hold harmless” clause as part of the market rules where the vendors agree not to hold the market liable for injuries and damage that they might incur. Liability policies do not cover sickness that may result from spoiled products.

Markets located on property that they do not own should discuss liability with the person or entity owning the property. The property owner might require the market to maintain a separate liability policy to protect the owner from liability while the market is open.

Missouri markets were recently able to organize and negotiate a group policy with great rates.

Product Liability

Product liability policies cover the individual vendors from liability from the products they have sold. Producers who sell value-added products may want to purchase this type of insurance. Policy cost is usually based on your gross sales. Most companies have a minimum policy that reflects higher gross sales than most farmers' market vendors enjoy. Your farm policy may or may not cover you so check with your insurance professional.